

## Message Text

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ACTION EB-07

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FM AMEMBASSY BUCHAREST

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E.O. 11652: N/A

TAGS: EAIR, RO

SUBJ: CIVAIR--RESTRICTIVE FOREIGN AIRLINE PRACTICES, ROMANIA

REFS: A) STATE 023126 B) STATE 196118 (9/6/74) C) BUCHAREST A-29

(1/31/74)

1. THIS CABLE TRANSMITS OUR COMMENTS ON SOME RESTRICTIVE AIRLINE PRACTICES IN ROMANIA. SINCE PANAM, SOLE US CARRIER TO OPERATE OUT OF BUCHAREST, SUSPENDED OPERATIONS JANUARY 1974, DETAILED INFORMATION ON RESTRICTIVE ROMANIAN PRACTICES AFFECTING FOREIGN CARRIERS WOULD SEEM TO BE OF SECONDARY INTEREST FOR TIME BEING. IF ADDITIONAL INFORMATION IS NEEDED FOR UPDATE OF CAB STUDY, HOWEVER, WE WILL AGAIN SURVEY OTHER FOREIGN CARRIERS AND SEEK ADDITIONAL CLARIFICATION FROM TAROM.

2. WE HAVE NOT RECEIVED MATERIALS FROM AUGUST 1973 CAB STUDY (REFTEL B, PARA 3) AND WOULD APPRECIATE COPIES OF ANY MATERIALS RELATING TO ROMANIAN CIVAIR PRACTICES AVAILABLE TO DEPARTMENT OR CAB.

3. NOT ONLY IS TAROM STATE-OWNED ROMANIAN NATIONAL CARRIER BUT IT HOLDS MONOPOLY ON TICKET SALES IN ROMANIA AS WELL. (WESTERN AIRLINES HAVE OFFICES HERE BUT MUST PAY COMMISSION ON TICKET SALES TO TAROM.) THESE FACTORS, TOGETHER WITH CENTRALIZED CONTROL OF ROMANIAN SOCIETY AND ECONOMY, CREATE POTENTIAL FOR GOR TO TILT BALANCE TOWARD TAROM. WITH VERY FEW EXCEPTIONS,

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FOR EXAMPLE, ALL ROMANIAN CITIZENS MUST TRAVEL ON TAROM, SO

FOREIGN AIRLINES CANNOT COMPETE FOR EVEN SMALL SHARE OF THESE PASSENGER. FURTHER, BOOKING CLERKS AT STATE-CONTROLLED NATIONAL TOURIST AGENCY HAVE INSTRUCTIONS TO STEER FOREIGN TRAVELERS TO TAROM WHENEVER POSSIBLE. ON OCCASION, EVEN PASSENGERS WHO HAVE ALREADY RESERVED FLIGHTS ON OTHER CARRIERS MAY FIND THEMSELVES RE-TICKETED ON TAROM. WE HAVE BEEN TOLD BY WESTERN AIRLINE REPS THAT THIS HAS OCCURRED, FOR EXAMPLE, WHEN ATTENDEES AT AN INTERNATIONAL CONFERENCE IN BUCHAREST WERE INSTRUCTED TO SUBMIT THEIR TICKETS TO CONFERENCE ORGANIZERS FOR CONFIRMATION. THEIR DEPARTURE FLIGHTS WERE IN SOME CASES ARBITRARILY SWITCHED TO TAROM, WITHOUT CANCELLATION OF THE ORIGINAL RESERVATION.

4. WITH REGARD TO EXAMPLES OF DISCRIMINATORY PRACTICES CITED  
PARA 2, REFTEL B:

A. PANAM HAD REACHED SATISFACTORY ARRANGEMENT FOR REMITTANCE OF DOLLAR EARNINGS DURING ITS OPERATIONS HERE, AND WE KNOW OF NO MAJOR DIFFICULTY EXPERIENCED BY WESTERN CARRIERS IN HARD CURRENCY REMITTANCES.

B. THERE IS NO FOREIGN EXCHANGE REGULATION GIVING FOREIGNERS PREFERENCE IF THEY TRAVEL ON TAROM INSTEAD OF FOREIGN AIRLINE, BUT IN EITHER CASE WE FIND THE PASSENGER PAYS SUBSTANTIALLY MORE FOR A TICKET PURCHASED IN BUCHAREST THAN THE PUBLISHED IATA FARE. ROMANIAN CITIZENS, WITH FEW EXCEPTIONS, ARE NOT AUTHORIZED TO HOLD CONVERTIBLE CURRENCY AND MUST PURCHASE THEIR TICKETS IN LEI, WHICH OF COURSE LEADS THEM TO TRAVEL ON TAROM.

C, D, & E. WE ARE NOT AWARE OF PREFERENTIAL TREATMENT OF TYPE DESCRIBED.

F. TAROM OF COURSE ENJOYS FAVORABLE TREATMENT IN USE OF AIRPORT FACILITIES, ALTHOUGH AS FAR AS WE KNOW OTHER AIRLINES ARE GENERALLY SATISFIED WITH FACILITIES AND SERVICES.

G. TAROM HAS EXCLUSIVE FRANCHISE FOR CATERING, FUELING, AND MAINTENANCE.  
BARNES

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## Message Attributes

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